

MINUTES OF THE CONTINUED MEETING
OF
JUNE 10, 1981

The meeting was called to order at 3:53 p.m.

Item 1: Roll Call

Present: Members Cleator, Golding, Williams, Schnaubelt, Gotch,
Killea and Vice Chairman Mitchell
Not Present: Member Murphy (excused) and Chairman Wilson (excused)
Secretary: Charles Abdelnour

Item 2: Approval of the minutes of the Regular Meeting of May 12, 1981 and
the Continued Meeting of May 13, 1981.

Motion by Gotch to approve the minutes.
Second by Williams.
Vote: 7-0

Item 3: Two resolutions regarding the issuance of tax exempt revenue bonds under
S.B. 99:

- 1) Resolution authorizing \$4,200,000 in tax exempt revenue bonds to be issued and the Executive Director to execute the appropriate documents; and authorizing the findings that the Agency is providing financial assistance to the occupants of the housing units; and
- 2) Resolution authorizing the adoption of Agency Rules and Regulations for multi-family residential construction.

Steve West discussed this item. He stated that, from a separate and independent appraisal prepared for the City of San Diego dated June 9, 1979 by real estate appraiser Whitson M. Jones, the 5.5 acre site leased to Orchard II Associates would have had a fair market value of \$1,225,000 if the site had been leased with no restrictions for the highest and best use. Further, applying an inflation factor of 13% per annum, the estimated fair market value would now be approximately \$1,665,875. Under the lease agreement, Orchard II Associates will pay a projected annual lease payment of \$65,035, based on 6.82% of the projected first year's gross income of \$956,160. The annual lease value at the highest and best use based on 12% of the estimated current fair market value, i.e. \$1,665,875, would be approximately \$199,905. Therefore, a subsidy of \$134,870 per annum is being provided to the lessee under the terms of the lease.

Item 3: (continued)

24 CFR, Part 888 of the Federal Register dated August 29, 1980 cites the following new construction HUD rents for new garden senior citizen apartments, walk-up (no elevator), excluding utilities: 1 bedroom apartment - \$407 per month, less \$32 utilities, for a total rent of \$375; studio apartment - \$356 per month, less \$32 utilities, for a total rent of \$324.

Orchard II Associates propose to rent their new senior citizen complex apartments for \$285 per month for a one bedroom apartment (no elevator, less utilities), and \$260 per month for a studio (no elevator, less utilities). Based on these figures, the per unit subsidy is estimated to be as follows:

	<u>1-bedroom apartment, no elevator, less utilities</u>	<u>studio apartment, no elevator, less utilities</u>
HUD Rents	\$375 mo.	\$324 mo.
Orchard II Rents	<u>\$285 mo.</u>	<u>\$260 mo.</u>
Estimated Subsidy	\$ 90 mo.	\$ 64 mo.

Motion by Cleator to adopt both resolutions.
Second by Killea.
Vote: 6-1 (Schnaubelt)

ADOPTED AS RESOLUTIONS NO. 664 and 665.

Member Williams left the meeting.

Item 4: Resolution authorizing up to \$10,000 of the amended \$30,000 contract between CCDC and Katz, Hollis, Coren & Associates, Inc. (consultant) to be utilized to compensate the consultant, on an hourly rate basis, for the preparation of an annual review and evaluation of the Corporation's financial program for the various redevelopment projects.

Motion by Gotch to adopt the resolution.
Second by Killea.
Vote: 6-0

ADOPTED AS RESOLUTION NO. 666.

Member Williams returned to the meeting.

- Item 5: Resolution approving the Second Amendment to the contract with Goebel and Monaghan for special legal services by adding \$25,000 to the contract.

Motion by Gotch to adopt the resolution.

Second by Killea.

Vote: 6-1 (Schnaubelt)

ADOPTED AS RESOLUTION NO. 667.

- Item 6: Resolution authorizing condemnation proceedings to be initiated to acquire Parcel No. H562-02 in the Horton Plaza Redevelopment Project owned by Littlefield/City National Bank.

This item was continued to a Special Meeting of Tuesday, June 16, 1981 at 10 a.m.

- Item 7: Resolution authorizing the demolition of improvements on Agency-owned property in the Horton Plaza Redevelopment Project.

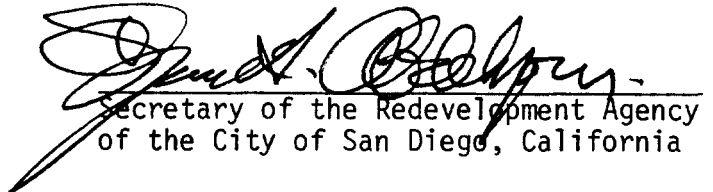
Motion by Cleator to adopt the resolution.

Second by Golding.

Vote: 6-1 (Schnaubelt)

ADOPTED AS RESOLUTION NO. 668.

The meeting was adjourned at 4:15 p.m.


Secretary of the Redevelopment Agency
of the City of San Diego, California